

STAT

DCI/DC 76-1915  
21 January 1976

K10/Kep - (FYIC)

STAT MEMORANDUM FOR: [REDACTED]

SUBJECT : Evaluation

1. I thought it would be useful to provide some thoughts which occurred to me during our meeting yesterday on the subject of evaluation. To begin with, I didn't believe that there was a great deal of difference in the functions you identified which evaluation serves, and the purpose cited by [REDACTED] If you recall, you listed four things:

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- substantive assessments;
- evaluating how resources are allocated;
- justifying budgets; and,
- as a basis for planning.

Wally, on the other hand, stated that the purpose of evaluation was to provide information to the DCI to assist him in decision making in the areas of policy, plans and current operations. I believe that your list tends to be a slightly finer grained elaboration of his list and suggest they be combined.

2. What it really comes down to in the DCI's terms is that any evaluation should either focus on specific problems [REDACTED] termed it "problem isolation"), or it should be the basis for feedback to the DCI on the question of: "Am I making the right decisions?"

3. As I stated yesterday, I believe we can usefully learn something from the DoD experience with evaluation. Under McNamara, whose demand for quantitative evaluation was insatiable, the DoD found it necessary to create an organization (system analysis) whose sole reason for being was to evaluate. They also discovered that they had to control the decision making mechanism (the process and structure by which DoD programs and budgets were formulated, reviewed, approved, justified and changed). Finally, they had to ensure that evaluation was totally integrated into that structure. In line with the DCI's observations, it was 10 to 15 years before evaluation became a way of life within DoD.

4. Before we proceed to address the question of evaluation for the Intelligence Community, I suggest that we need to answer the following essential questions:

a. What are the driving needs for evaluation; what is to be done with it? This needs to be answered for both substantive intelligence and resources management.

b. How do we obtain Community agreement with whatever method of evaluation is chosen? A corollary to this question is: How do we obtain Community support and agreement, particularly as we move from concept to implementation?

c. Is the IC Staff properly structured to perform the evaluation function and to exploit it?

d. What special cases exist; can they be accommodated? For example, State Department is of little interest in terms of resource allocation but looms very large in terms of substantive contribution

e. Are the management information needs of the DCI the same as those of the Program Managers who have the ultimate responsibility for resource allocation; if not, can we realistically design a system or set of procedures which meets all needs?

f. Are we on the IC Staff willing to invest both the time and the resources to do an effective job of evaluation? In this regard, please recall my comment that each element of the IC Staff does a form of evaluation in its day-to-day business under the current structure. The question is: Is it the proper sort of evaluation needed?

5. I do not believe that the answer to these questions is to simply "fix" the current KEP. There is an admitted imbalance in the KEP. We were successful in obtaining a fair amount of resource data. We were largely unsuccessful in obtaining an equivalent amount of data on substance. While I believe the current PRD effort to produce a substantive evaluation is both worthwhile and necessary, I also believe the DCI asked PRD to do it because he had been largely

unsuccessful in getting the NIO's to do it. I also anticipate that the NIO's will take a fair amount of umbrage at whatever PRD produces.

6. The idea of touching base with each of the managers involved throughout the Community is going to be useful, but it will also surface many of the same differences of opinion and frustrations already encountered as a result of the KEP exercise. I am not at all confident that these diverse points of view will be able to be reconciled. Should that prove to be true, the IC Staff must be more than a mediator--it has to take the lead.



AC/MPRRD

cc:

